

Minutes of the Finance Committee

Wednesday, September 5, 2012

Chair Haukohl called the meeting to order at 8:30 a.m.

Present: Supervisors Pat Haukohl, Richard Morris, Dan Draeger, Cathleen Slattery, and Bill Zaborowski. **Absent:** Larry Nelson and Pamela Meyer.

Also Present: Chief of Staff Mark Mader, Administration Director Norm Cummings, Business Services & Collections Manager Andy Thelke, Senior Financial Budget Analyst Linda Hein, Budget Manager Keith Swartz, and Budget Management Specialist Linda Witkowski. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of 8-22-12

MOTION: Zaborowski moved, second by Slattery to approve the minutes of August 22, 2012. Haukohl made several amendments. Motion carried 5-0 as amended.

Schedule Next Meeting Dates

- September 19 (Morris absent)

Meeting Approvals

MOTION: Draeger moved, second by Zaborowski to approve attendance for any Finance Committee members wanting to attend other standing committee meetings when they review 2013 operating budgets. Motion carried 5-0.

Review Correspondence

- Letter from Town Chairman Richard Morris dated August 20, 2012 regarding the proposed boat launch on North Lake.

Annual Report on County Equalized Property Values

Cummings distributed information on changes in equalized values by class and item, net new construction for 2011-2012 per municipality, tax incremental district (TID)/equalized value data per municipality, and general county purpose property tax levy data. Cummings indicated we lost \$1.8 billion of residential value countywide. Residential property is “key” in Waukesha County because it makes up 75% of the entire value. Cummings said this is the largest reduction he can remember (-4.85%). The average median home value in the county is now \$243,200 vs. \$281,600 in 2007. Commercial property decreased slightly less than 3% although Waukesha County fared better than other counties in the state and in the country. New residential construction is down – about one-quarter of total new construction experienced in 2007. In the late 1980s/early 1990s the tax rate per thousand was around \$3.33 and this year that figure will be just over \$2.00. He noted this will not necessarily result in increased property taxes and it is possible taxes will decrease. Cummings believes we have “bottomed-out” in terms of housing reductions. Total property value in the County is \$47.7 billion with TID values and \$46.9 billion without TID values. The latter figure is what the County can levy against. Currently, about \$800 million are in TID districts. Our net gain in new construction is .82% which translates to \$750,000 permissible tax levy increase.

Cummings spoke briefly on the following TIDs: Pabst Farms/Target Distribution Center in Oconomowoc, Woodman's in Waukesha, Roundy's Distribution Center in Waukesha, Woodland Prime in Menomonee Falls, Majestic Theater in Brookfield, flood relief in Elm Grove, and a donor TID in Oconomowoc. There are currently 31 active TIDs in Waukesha County.

MOTION: Zaborowski moved, second by Morris to accept the annual report on county equalized property values. Motion carried 5-0.

Proprietary Funds Report for Six Months Ended

Thelke discussed this report as outlined on the County's various Enterprise and Internal Service Funds. Those funds that showed a net income at the end of June 30, 2012 were the Naga-Waukee Golf Course (\$119,316); Naga-Waukee Ice Arena (\$326); Eble Park Ice Arena (\$40,652); Materials Recycling (\$848,624); Vehicle/Equipment Replacement (\$402); Central Fleet (\$81,099); Radio Services (\$257,199); Records Management (\$10,870); Communications (\$68,734); End User Technology (\$130,404); and Health Insurance (\$290,926). Those funds that showed a net loss were the Wanaki Golf Course (-\$26,486); Moor Downs Golf Course (-\$79,087); Airport (-\$57,897); Risk Management/Workers Compensation (-\$496,992); and Collections (-\$55,808).

A discussion ensued about the ice arenas and related policy decisions, fluctuation of popularity/revenues, etc. Haukohl believes the ice arenas are a great investment and positive assets for the communities. Draeger requested an explanation on the financial benefits of recycling because according to the report, it looks as though the County is seeing a net loss. Thelke said he would add a footnote to future reports pertaining to tonnage saved, cost avoidance, funding returned to communities, etc. Mader advised the goal is to maintain a recycling program at a cost per ton at a rate lower than landfill disposal.

MOTION: Draeger moved, second by Morris to accept the Proprietary Funds report for six months ended. Motion carried 5-0.

General Funds Report for Six Months Ended

Swartz and Witkowski were present to discuss the report titled "6 Months – 2012 Budget Monitoring Summary Report – General Fund Operations." For the first six months of 2012, General Fund actual operating expenditures were at about \$73.9 million or 46% of the total modified expenditure budget versus this same period in 2011 when those figures were \$74.6 million or about 48%. For the first six months of 2012, expenditures were lower than the prior year partly due to the 50% employee contributions to pension funds. Operating revenues achieved during the first six months of 2012 were nearly \$28.9 million or about 38% of the modified revenue budget versus \$29.2 million or about 37% of revenues recognized during the first six months of 2011.

The report indicated an estimated overall favorable result projected for the 2012 General Fund at year-end by over \$1.8 million. The favorable impact is small compared to the over \$150 million General Fund budget, but reflects a positive result in these difficult times. Major favorable budget results include the following: Aging & Disability Resource Center - \$575,000; Emergency Preparedness - \$488,000; Child Support - \$179,000; Parks & Land Use - \$215,000. These estimated favorable results are partially offset by projected unfavorable results of \$195,000 in the Sheriff's Department.

MOTION: Zaborowski moved, second by Draeger to accept the General Funds report for six months ended. Motion carried 5-0.

Annual Update on Grant/Sunset Positions

Swartz distributed copies of “Sunset Position Changes from the 2011 Annual Report as of August 2012.” He indicated that sunset positions are funded by grants and if the grants are reduced or eliminated, the positions are reduced or eliminated accordingly. There are currently 80 full-time, 10 part-time, and 5 extra help positions funded with grant/contract funding. Swartz indicated there were no changes in the count from last year’s report but there were a few title and funding source changes.

MOTION: Morris moved, second by Draeger to accept the annual update on grant/sunset positions. Motion carried 5-0.

Future Agenda Items

- How are fees (landfill, etc.) allocated and to which County funds/divisions? (Haukohl)
- Who should be responsible for building and managing hangars at the Airport? (Haukohl)

MOTION: Zaborowski moved, second by Slattery to adjourn at 11:54 a.m. Motion carried 5-0.

Respectfully submitted,

William J. Zaborowski
Secretary